



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

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Second District

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Third District

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Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

December 2, 2011

To: Audit Committee

From: William T Fujioka  
Chief Executive Officer

## BOARD POLICY REVIEW – 5.100: SOLE SOURCE CONTRACTS

Based on a request of the Executive Office of the Board of Supervisors, my Office, in conjunction with the Internal Services Department (ISD), has reviewed the attached Board Policy No. 5.100 – Sole Source Contracts.

At this time, we are recommending the following minor revisions: (1) under Policy, add "The \$250,000 threshold includes the initial contract term and any contract options," (2) for the sole source checklist, delete Deputy Chief Executive Officer, CEO signature block and replace with Chief Executive Office signature block, (3) last paragraph, delete references to the Chief Executive Officer and replace with Internal Services Department, (4) under Responsible Department, identify Internal Services Department as the first responsible department, and (5) extend the sunset review date to February 6, 2016.

Attached is a red-line version of the policy, as requested by the Executive Office. The proposed revisions were presented and discussed at the December 1, 2011 Operations Cluster Meeting.

If you have any questions regarding this request, please contact Martin Zimmerman of my staff at (213) 974-1326, or Joe Sandoval at ISD, at (323) 267-2109.

WTF:EFS:MKZ  
JS:FC:ib

Attachment

c: Executive Office, Board of Supervisors.  
Internal Services Department

2011 120211 Board Policy Review - 5.100 Sole Source Contracts (Audit Committee)\_Memo\_.docx

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## *Los Angeles County* **BOARD OF SUPERVISORS POLICY MANUAL**

Policy #:  
**5.100**

Title:  
**Sole Source Contracts**

Effective Date:  
**03/02/99**

### **PURPOSE**

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Provide the Board of Supervisors with early notification of prospective large sole source contracts. The Chief Executive Office has implemented and will continue to monitor this policy with the intent of recommending future policy changes, as appropriate.

### **REFERENCE**

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February 23, 1999 Administrative Memo from Board Order, Synopsis 15

March 2, 1999 Chief Administrative Office memo, "Sole Source Contracts"

February 6, 2008 Board Order 13

### **POLICY**

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County departments intending to negotiate a sole source services contract of \$250,000 or greater, must provide advance written notice to the Board of Supervisors, with a copy to the Chief Executive Officer, indicating that they will proceed with the sole source contract negotiations within two weeks unless otherwise instructed by a Board office. The \$250,000 threshold includes the initial contract term and any contract options.

In addition, any department requesting Board approval of a sole source contract must include with the Board letter a completed sole source checklist (as provided below) approved by the Chief Executive Office.

Check	JUSTIFICATION FOR SOLE SOURCE CONTRACTS
(v)	<b>Identify applicable justification and provide documentation for each checked item.</b>
	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be service by the authorized manufacturer's service representatives.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best interest of the County, e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
	➤ Other reason. Please explain:
<div style="display: flex; justify-content: space-between;"> <div> <u>Deputy Chief Executive Officer, CEO</u>  <u>Chief Executive Office</u> </div> <div> <u>Date</u> </div> </div>	

Each County Department Head is also required to report to the Chief Executive Officer Internal Services Department by June 30<sup>th</sup> of each year those sole source contracts under \$250,000 executed by/for their department for the fiscal year ending on June 30<sup>th</sup>. The Chief Executive Officer Internal Services Department will compile the list and submit it to the Board of Supervisors.

#### RESPONSIBLE DEPARTMENT

Internal Services Department

Chief Executive Office

#### DATE ISSUED/SUNSET DATE

Issue Date: February 23, 1999

Sunset Review Date: January 16, 2003

**Reissue Date: January 16, 2003**  
**Revised Date: February 6, 2008**  
**Revised Date: February 6, 2012**

**Sunset Review Date: January 16, 2007**  
**Sunset Review Date: February 6, 2012**  
**Sunset Review Date: February 6, 2016**